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Implementation of the first United Nations Decade for the Eradication of Poverty

Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Secretary-General

Summary

The present report has been prepared in response to General Assembly resolution 53/198 of 15 December 1998 on the implementation of the first United Nations Decade for the Eradication of Poverty. The Assembly requested the Secretary-General to report to it at its fifty-fourth session on progress made in the implementation of measures, themes, recommendations and activities related to the Decade, including recommendations for possible actions and initiatives towards the new millennium and proposals for better coordination of actions taken by the United Nations system.

The report highlights progress made and remaining challenges in global poverty reduction; it also stresses gender inequalities and poverty, and the importance of public policy in reducing poverty and mitigating vulnerability during crisis. The report further highlights recommendations for possible action and initiatives towards the new millennium. Finally, it reviews coordination at the intergovernmental level and the activities of the United Nations system in relation to the Decade for the Eradication of Poverty.

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I. Introduction

1. Poverty in general, in particular abject poverty, is one of the central challenges for the international community in the new millennium, despite the significant progress in development at the end of the twentieth century. In its resolution 53/198, the General Assembly requested the Secretary-General to report to it at its fifty-fourth session on progress made in the implementation of measures, themes, recommendations and activities related to the first United Nations Decade for the Eradication of Poverty, including recommendations for possible actions and initiatives towards the new millennium and proposals for better coordination of actions taken by the United Nations system. The Assembly also decided that the themes for the International Day for the Eradication of Poverty in 1999 and 2000 shall be, respectively, "Women and the eradication of poverty" and "Globalization and the eradication of poverty".

2. The main objective of the first United Nations Decade for the Eradication of Poverty (1997-2006) is to work towards the goal of eradicating absolute poverty and reducing overall poverty substantially in the world. The means to be adopted include decisive national and international cooperation in implementing fully and effectively the relevant resolutions and decisions of the United Nations and all agreements and commitments agreed upon at the major United Nations conferences and summits organized since 1990 as they relate to poverty.

3. The present report has been prepared in response to General Assembly resolution 53/198. Section II reports progress in global poverty reduction at the end of the 1990s; section III covers the theme of the year, "Women and the eradication poverty"; section IV covers policy issues; section V discusses further initiatives and recommendations for possible action for poverty eradication towards the new millennium; and section VI highlights coordination at the intergovernmental level. The annex contains activities carried out by the United Nations system related to the first United Nations Decade for the Eradication of Poverty. The present report should be read in conjunction with the report of the Secretary-General on the implementation of the outcome of the World Summit for Social Development (A/54/____).

II. Progress in global poverty reduction at the end of the 1990s

4. Considerable advances have been achieved in the last five decades in social and economic development, including disease eradication, massive immunization programmes, improved agricultural productivity, increased adult literacy rates, improved sanitation and water systems, and technological advances for production and communication. Poverty eradication has become the central theme of the international community. The goal adopted by the Organisation for Economic Cooperation and Development (OECD) that the proportion of people living in extreme poverty in developing countries should be reduced by at least one half by 2015[1] has gained wide support from multilateral development institutions, developing country partners and non-governmental organizations. A set of international development goals has been agreed upon by the United Nations, the World Bank and OECD in partnership with developing countries, which include (a) reducing by half the proportion of people living in extreme poverty by 2015; (b) achieving universal primary education in all countries by 2015; (c) making progress towards gender equality and the empowerment of women by eliminating gender disparities in primary and secondary education by 2005; (d) reducing by two thirds the mortality rates of infants and children under five and by three quarters the mortality rates for mothers by 2015; and (e) providing access to reproductive health services for all individuals of appropriate age no later than 2015.

5. These goals reflect the multidimensional nature of poverty, which encompasses not only lack of income but more qualitative aspects of life, such as illiteracy, poor health, lack of access to basic social services and productive assets, insecurity, powerlessness, social exclusion, physical isolation and vulnerability. Many development agencies have reformulated their mission statements, policies and operating strategies to give more central focus to poverty reduction. Moreover, poverty is a key policy concern for many Governments all over the world, and increased prominence has been given to poverty reduction in their national strategies. Furthermore, many non-governmental organizations have emerged to measure both progress towards the eradication of poverty and to assess the current status of aid and development cooperation.

6. In recent years the international creditor community has introduced a number of debt relief measures for the poorest countries. The Heavily Indebted Poor Countries (HIPC) framework has made a small but useful contribution

in this respect. However, recent experience suggests that further efforts are needed to achieve a more enduring solution to the problem of unsustainable debt burdens. The 1999 Cologne debt initiative, which is designed to provide deeper, broader and faster debt relief through major changes to the HIPC framework, is a further step towards the goal of poverty reduction. The central objective of this initiative is to provide a greater focus on poverty reduction by releasing resources for investment in health, education and social needs.

Challenges and conditions

7. Despite the countless programmes and campaigns waged against poverty over time and across regions, it continues to be a major impediment to human development and economic progress. Half of the world's six billion people are still mired in poverty, trying to eke out a living on US$ 2 a day or less. The majority of people living in poverty live in the developing world in rural areas and depend, to a large extent, on agriculture for their livelihood and employment. Poverty is also widespread in urban areas and significant in some industrialized societies, and is growing rapidly in many countries with economies in transition. The greatest number of poor people live in Asia, but the depth of poverty, which measures how far incomes fall below the poverty line, is greater in sub-Saharan Africa than in any other region. In the next century, a poor person is less likely to be a male smallholder in rural Asia, and more likely to be an unskilled, low-wage female worker in urban Africa or Latin America. Efforts to reduce global poverty have been severely constrained because of the slowing down of the global economy as a result of the financial turmoil of the last two years.

8. Social indicators have improved over the last 30 years, but there are some worrying trends that threaten the achievement of key international goals. Life expectancy has declined in the first few years of the transition in former USSR countries and is declining in African countries hardest hit by the AIDS epidemic. Sub-Saharan Africa also experienced declines in enrolment rates over the last decade and a half. According to the World Bank's *1999 World Development Indicators*, on current trends neither the infant mortality nor the primary education target set for the international development goals are achievable.

9. With three billion people still living under $2 a day, growing inequity within and between countries, 130 million children still not in school, 1.5 million people still without access to clean water and two billion people without access to sewage, national and international action must be significantly strengthened and transformed.

10. The current global picture is one of likely gains for the extremely poor in China, possible stagnation in India and sharp declines in living standards in countries hit by financial crises, natural disasters and conflicts in East Asia, Africa and the former USSR. The financial crisis put an end to a long period of rapid growth in East Asia and led to significant increases in poverty. The mounting retrenchment, the failure of the new job-seekers to find employment, the erosion of earnings of those who managed to stay on the payroll and the increases in inflation brought about sharp increases in poverty. Recent data from the region indicate that poverty increased significantly in all affected countries. According to the World Bank report entitled "Poverty reduction and the World Bank: progress in fiscal 1998", Indonesia, which is forecast to experience the biggest drop in output, would experience the sharpest increase in poverty (assuming no changes in income distribution). The number of people living under US$ 1 a day could increase from almost 7 to 16 per cent of the population, corresponding to an increase from 13 million poor people estimated in 1997 to 34 million in 2000. Thailand and Malaysia are also expected to be hit hard, with increases in the incidence of poverty of 20 and 10 per cent, respectively (from 15 to 18 per cent in Thailand and from 20 to 22 per cent in Malaysia, using a US$ 2 per day line, which is appropriate for these countries).

11. The situation has been mixed in South Asia. Growth rates for the region remained positive and significant in 1998. But recent data on rural wages in India suggest stagnation and that the poor may not have benefited from growth as much as hoped for. Bangladesh, which has been performing well, has been hit by devastating floods; and performance has been poor in Pakistan.

12. Prospects for Africa to reduce poverty remain weak. Although Africa experienced less contagion from the financial crisis (with the exception of South Africa), declining primary commodity prices, slower world trade growth and the prospect of increased competition from countries with depreciated exchange rates contribute to increases in poverty. The combined effect of crisis, conflicts, the entrenched extent of poverty, the AIDS epidemic, corruption and inefficiencies, which continue in some of the region's poorest countries, severely impede growth in sub-Saharan Africa. Gross domestic product (GDP) in 1998 appears to have been below the rate of population growth, causing a decline in per capita income.

13. Further declines in economic activity and increases in poverty are also anticipated in the Russian Federation, Ukraine and Romania as a result of the crises there. Despite significant growth in other areas of the Eastern Europe and Central Asia region, most notably Poland and Hungary, growth in GDP per capita is expected to be generally negative. Declining GDP is also expected in the Middle East and North Africa.

14. According to an Economic Commission for Latin America and the Caribbean report entitled, "Social panorama of Latin America", poverty levels in Latin America fell from 41 per cent per cent of the total in 1990 to 36 per cent in 1997, reflecting steady economic growth in the first half of the decade and a decline in inflation. However, the prospects of Latin America are clouded by the crisis in Brazil, although per capita GDP growth was significant in 1997 and still positive, albeit lower in 1998. The region has recently suffered from devastating natural disasters, such as the effects of the El Niño weather patterns to the ravages of hurricane Mitch in Honduras and Nicaragua. In addition, recent evidence of rising inequality, most notably in urban Brazil, adds to concerns about the already high disparities present in the region.

15. In 1999, if the proportion of people living in poverty had remained the same as in 1993, there would be 1.5 billion people living in abject poverty at the dawn of the new millennium. The global target of halving the number of people living in poverty by 2015 seems to be daunting because of recent setbacks. East Asian countries that recently succeeded in reducing poverty are now experiencing its emergence along with hunger and the human suffering it brings. It is estimated that the number of people living in poverty will be 1.9 billion by 2015 unless concerted efforts to reduce poverty are taken now and in future years both at the national and international levels.

III. Women and the eradication of poverty

16. The Copenhagen Declaration calls for achieving equality and equity between women and men, and recognizing and enhancing the participation and leadership roles of women in political, civil, economic, social and cultural life and in development. At the Fourth World Conference on Women (Beijing, 1995), Governments from around the world reaffirmed their commitment to equal gender rights and women's empowerment. The participation of women as equal partners in national development not only enhances their productivity and earnings potential but also raises women's living standards and contributes to better economic performance, the reduction of poverty and improved family welfare. Gender-based inequality within most households, reinforced and enhanced within the legal, cultural, social, economic, and institutional spheres, contribute to women commonly being poorer than men.

17. The link between poverty and gender has been stressed by all the international conferences of the 1990s. In its resolution 53/198, the General Assembly designated the theme for the 1999 International Day for the Eradication of Poverty as "Women and the eradication of poverty". The majority of people living in poverty are women. On the other hand, women are a key force in reducing hunger and poverty, promoting family welfare and contributing to overall economic development in the developing world. Thus, the empowerment of women is a prerequisite for effective eradicating of poverty.

Gender inequalities

18. Women's economic options vary widely in different cultures and in countries at different stages of economic development. However, women encounter some form of discrimination in almost all societies. They have less power than men, receive less for their work, and have less control over household resources, and in many developing countries they receive less education. Using the household as the basic unit of analysis, studies show that the incidence of poverty is higher and more severe in female-headed households than male-headed households. Moreover, women have less access to better paying jobs in the formal sector and are disproportionately represented among unpaid family workers and in the informal sector. Globally, women on average earn about two thirds of average male wages (see E/1999/53). Despite their increased share of labour participation in both developed and developing countries, most women are still clustered in low-skill service or clerical jobs with little potential for advancement. Owing to their position in the labour market, where they are concentrated in precarious forms of low-skilled wage employment, women are more vulnerable to layoffs during economic and financial crises.

19. Developing countries have made substantial progress in expanding access to schooling over the last two decades; however, gender disparity in access to education opportunities still persists. Two thirds of the world's 900 million illiterate adults are women, the majority of whom reside in the rural areas of developing countries. Of the 125 million primary school-age children in developing countries not attending school, about two thirds are girls.

20. Education for women is both a development issue and an equity issue. Evidence from a variety of socio-economic settings shows that the economic returns on female education are substantial and comparable to or higher than those for male education. Female education can help to improve health, decrease the birth rate, reduce illiteracy and, in general, improve living standards. The current labour force participation, occupational structure and earnings of women are related to their low levels of education.

21. Women are predisposed to illnesses related to their productive roles. These include sexually transmitted diseases, the physical toll of adolescent and repeated pregnancies, contraceptive side effects, the after-effects of clandestinely induced abortions, malnutrition and anaemia. The burden of maternal conditions is hard to quantify because of the lack of data in developing countries. The international goals call for reducing maternal mortality by three quarters by 2015, but significant improvement does not seem to have been achieved yet. It is estimated that in many developing countries, more than 1,000 women die for every 100,000 live births. According to the *World Health Report 1999*, obstructed labour, sepsis and unsafe abortions were among the 10 leading causes of death and disability among women aged 15-44 years in developing countries in 1998. Furthermore, women are particularly vulnerable to infection, and nowadays the human immunodeficiency virus (HIV) poses a growing threat to the health and survival of young women and their offspring.

22. Mainstreaming gender perspectives into all polices and programmes aimed at poverty eradication both at the national and international level is the key to reducing gender inequalities. Investing in human capital through education, health and nutrition programmes is the basis for greater participation of women and growth. In addition, empowering poor women to expand their economic and social participation through community-based projects and other schemes that give them greater control over their own destinies is of utmost importance for development. Targeting economic and social as well as productive resources to improve women's status and enhance their productive capacity can help to reduce poverty and contribute to stable long-term growth. All States parties should fully implement their obligations under the Convention on the Elimination of All Forms of Discrimination against Women and other international human rights instruments.

IV. Public policy

23. A country improves its chances of success in the struggle to reduce poverty when it achieves strong, sustained economic growth which creates a substantial expansion in the number of high-productivity jobs; when the incomes such growth generates are also helped by a policy aimed at defending their purchasing power through low inflation; and when support also exists in the form of significant programmes of well focused public transfers. Income transfers received by household from the public sector have had an appreciable effect in reducing poverty, wherever they have been used.

24. Human resources development is also fundamental for poverty eradication. Basic education, health, vocational training, secondary and tertiary education, lifelong upgrading of skills and knowledge and support for the development of innovative thinking are crucial to technical progress. They also enrich individuals and foster civic responsibility and social cohesion.

A. Macroeconomic policies for poverty reduction

25. An appropriate macroeconomic framework is essential for growth and poverty reduction, but the social, structural, and human development is also crucial. A policy framework that integrates macroeconomic, financial, structural, social and human issues is imperative if there is to be equitable and sustainable development. The quality of economic growth is important as well as the quantity. For human development, growth should be job-creating, poverty-reducing, participatory, culturally entrenched and environment-friendly. A growth strategy that aims for a more equitable distribution of assets, that is job-creating and labour-intensive, and that is decentralized maximizes the possibilities for poverty eradication.

Reducing vulnerability and protecting the poor in a crisis

26. The impact of a crisis on the poor can be mitigated if appropriate policies are adopted. Policies may limit the impact of crisis on the poor by preventing or dampening changes in the key variables that affect household income, such as employment, labour earnings, availability of credit, interest rates and public services. Distributional concerns should be of central importance in the design of policy

responses. Poverty-focused responses to a crisis should, *inter alia*:

(a) *Choose macroeconomic stabilization policies that achieve their macroeconomic objectives with the least possible short- and long-term cost to the most vulnerable.* Pro-poor macroeconomic policy has an important role to play in reigniting growth and thereby reducing poverty. If policy is appropriately counter-cyclical, it can offset to some degree the worst effects of recession on the poor. To counter the impact of economic contraction, expansionary fiscal policies are normally the appropriate macroeconomic response, not least because of their benefit for the poor. A fiscal stimulus directed at labour-intensive activities, such as rural roads or other rural employment programmes, combines the benefits of growth with those of income support for people living in poverty;

(b) *Ensure that fiscal adjustment protects the items of spending most important for the poor and redistributes resources, and that services are provided by effective, inclusive institutions.* Fiscal policies that protect spending on education and health enable maintenance of services which are vital to the poor and continue the process of building up human capital;

(c) *Set up or reinforce safety nets capable of providing effective insurance before a crisis and assistance once a crisis hits.* In a short-run crisis situation, the focus should be on programmes that deliver the services the poor need, such as transfers to buy food. Other programmes that can be scaled up include public works and other workforce programmes, which can provide employment for the poorest and reduce open unemployment. Expanding employment assistance may be an option where the institutional infrastructure for such a programme exists. If programmes already exist which reach the poor and help them cope with the impact of the crisis, they should obviously be supported and expanded;

(d) *Set up mechanisms to provide information for monitoring the impact of the crisis and evaluating responses.* Adequate information on the impact of a crisis on various groups and areas helps design appropriate policy responses, and provides feedback on the impact of policies. Information can also play a crucial role in national and local politics of design and implementation.

B. Mobilization of resources

27. Globally, the major part of some social services has to be provided or supported through the public sector in order to ensure equitable accessibility. Resources should be allocated to basic priority human concerns, for example, moving away from military towards social spending and shifting the focus to better education, health services and safe water accessible to people living with poverty. Ensuring adequate sources of revenue to support these services is essential.

1. Role of public expenditure in eradicating poverty

28. Adequate and universal access to basic social services contributes to the development of human capital, and can be an important factor that can reduce poverty. The World Summit for Social Development adopted quantitative targets for meeting basic needs, specifically on primary education, illiteracy, life expectancy, infant and maternal mortality, health and health care, food security and malnutrition, and affordable and adequate shelter. The Programme of Action of the Summit also calls for countries to make efforts towards reaching the goal of universal coverage for all, and access by all to basic social services. Enhanced access to basic social services is a critical dimension of equity. The international community has recognized the importance of maintaining adequate public spending, notably in education and health sectors, during economic adjustment.

29. There are many reasons for the shortfall in achieving goals and targets for social development at the national level, and they are often country-specific.[2] But one reason stands out in virtually all countries: the resources allocated to basic social services are inadequate to achieve universal access within the next 5 to 10 years. While some countries have made progress, many of the promises for the year 2000 and beyond are likely to remain unfulfilled unless the pace of progress substantially accelerates, and Governments of both developing and developed countries translate their social development goals into increased financial allocations for social services. Governments and their partners in development should also undertake the necessary policy reforms and institutional development to increase the effectiveness and equity of the available resources for such services.

30. Current allocations for basic social services fall short by about a third of the financial requirements to achieve universal coverage. These requirements are estimated at about $206 billion to $216 billion per year. Today, the

amount of funds channelled to these services is conservatively estimated at about $136 billion. Therefore, an increase of at least $70 billion to $80 billion will be needed annually to provide coverage to all.[3]

31. Different sources of financing often have different implications for equity and efficiency, and these in turn affect the effectiveness with which services are delivered. For example, broad-based tax systems with simple tax structures and few exemptions can increase the effectiveness of revenue collection, and thereby increase the availability of resources. Experimenting with alternative forms of social service delivery by private sector or non-governmental organizations can sometimes lead to reducing the demand for publicly provided services. It has also been found that the more transparent the instruments of resource mobilization and the more closely service delivery is tied to these instruments, the more acceptable revenue collection is politically.

32. The 20/20 Initiative calls for the allocation of, on average, 20 per cent of the budget in developing countries and 20 per cent of official development assistance (ODA) to basic social services. It also aims to ensure that these resources are used with greater efficiency and equity. In response to the Oslo Consensus which affirmed the need to gather data on budget and aid allocation to basic social services, a survey of 30 developing countries from all regions was conducted which reveals that, for most countries, budget allocations to basic social services tend to vary between 12 and 14 per cent of the national budget. Very few of them spend less than 10 per cent of their budgets on basic social services, while very few spend 20 per cent or more.

33. The Hanoi Consensus, adopted in October 1998, reiterated the objectives of the 20/20 Initiative, and emphasized that the goal of universal access to basic social services is based on ethical, social and economic imperatives. Ensuring access to basic social services for the unreached, the vulnerable and the most disadvantaged members of society is not only morally imperative but also economically rational, eradicating the worst manifestation of poverty and laying the foundations for sustainable economic growth and productivity gains in the future. Moreover, developing countries are the main actors in expanding the coverage and improving the quality of basic social services, although donors have a great responsibility for increasing resources through their ODA.

2. Microcredit and poverty eradication

34. As a follow-up to the first report of the Secretary-General on the role of microcredit in the eradication of poverty (A/53/223), the General Assembly once again emphasized, in its resolution 53/198, the role of microcredit as an important anti-poverty tool that promotes the generation of productive self-employment and empowers people living in poverty, especially women. The Assembly encouraged Governments to adopt policies that support the development of microcredit institutions and their capacities. It called upon the international community, in particular the relevant organs, organizations and bodies of the United Nations system and international and regional financial institutions involved in the eradication of poverty, to support and to explore the incorporation of the microcredit approach in their programmes and further development of additional microfinance institutions.

35. Microcredit has received prominence recently because of the recognition that the latent capacity of the poor for entrepreneurship would be encouraged with the availability of small-scale loans which would enable them to establish small enterprises. This would allow them to be more self-reliant, create employment opportunities and engage women in economically productive activities.

36. There are many practitioners who are increasingly dedicating their time and effort in developing various mechanisms aimed at strengthening microcredit institutions and programmes around the world. This was evident at recent meetings that took place in Africa and Latin America. The microcredit annual meeting of councils was held at Abidjan, from 24 to 27 June 1999, with the participation of representatives from the United Nations system, the United Nations Secretariat, UNDP, UNIFEM, UNICEF, ILO, IFAD and FAO. The meeting brought together institutions and practitioners around the world who are involved in the global campaign to ensure that 100 million of the world's poorest families receive credit for self-employment and other financial and business services by the year 2005. The main objective of the meeting was to enable microcredit practitioners to (a) share and further develop institutional plans that contribute to the fulfilment of the goal; (b) share experiences on the best practices and constraints that hamper the fulfilment of the goal; and (c) identify ways and means of addressing those challenges.

37. Participants discussed a wide range of issues that are of crucial importance to the future growth and development of microcredit institutions, including how to identify eligible families in designing microcredit programmes; how to assess and improve the impact of microcredit programmes; how

donor funds could better reach and support grass-roots programmes; and how to work towards institutional financial sustainability while maintaining a commitment to serving the poorest families.

38. The meeting also identified a number of constraints in the development of microcredit programmes, including the lack of reliable sources of finance, especially at the start of a programme; difficulty of determining appropriate interest rates on loans for the poor; lack of an enabling environment due to unfavourable government regulatory systems; and hostile banking sectors and lack of support for training institutions.

39. In Latin America, an inter-American forum on microenterprise, which was co-sponsored by the Inter-American Development Bank, the United States Agency for International Development (USAID) and the World Savings Bank Institute, was held at Buenos Aires, from 24 to 26 June 1999. The meeting was attended by representatives of NGOs, Governments, financial institutions and experts in the region. Among the topics discussed by panellists were experiences and challenges in regulating and supervising microfinance; microenterprise and microfinance: the Argentina experience; microfinance in emergency situations; the role of the state in developing the microenterprise sector; microenterprise and the environment; and sustainability versus outreach in microfinance.

40. While these meetings represent an important phase in the development of microcredit institutions around the world and in the search for solutions to some of the problems affecting the effectiveness of microcredit group-lending, there is a need for further research on a number of critical aspects of microcredit lending to the poor. These include the impact of microcredit lending on poverty and the empowerment of women; how to determine success of microcredit lending programmes; why, despite the high loan repayment rates, many programmes remain heavily dependent on subsidies and donor funds; and why in some countries men control a large share of the loans although women account for the bulk of the borrowers and bear the liability of repayment.

41. Within the international community, the Consultative Group to Assist the Poorest continues to spread information on microcredit best practices to different parts of the world. In collaboration with other donors, the Group has also recently launched capacity-building programmes in a number of countries in Africa and Asia. Many United Nations organs also continue to support microcredit programmes and institutions with the emphasis on capacity-building and institutional strengthening; training and consultations to spread best practices; and developing funding mechanisms that foster institutional sustainability of microcredit programmes, NGOs and other microfinance institutions.

C. Partnership

42. Governments have the responsibility for putting all these issues together in a comprehensive strategy for growth and poverty reduction. But not all Governments have the capacity, the resources or sometimes even the will to do so. Making use of partnership with others who have more effective skills or greater availability of resources than national Governments alone is crucial for poverty eradication. It is essential to strengthen national capabilities of both the public and non-governmental sectors to plan and implement social development programmes, particularly those targeting the poor and other disadvantaged and vulnerable groups. Emphasis should be placed on the need to strengthen the capabilities and to empower the poor and other disadvantaged and vulnerable social groups who are not only the beneficiaries of social progress but are also key participants in the development process. In order to address effectively the short- and long-term challenges of social and economic development and ensure the attainment of economic growth with social equity, partnerships need to be established among government agencies, civil society including NGOs, the business sector and communities at the local and national levels.

V. Recommendations for possible action and initiatives for poverty eradication towards the new millennium

43. Recent experience and discussion underscore the need for designing poverty alleviation strategies that cover a comprehensive mix of policies and programmes and encompass all interacting development sectors impacting on the poor. The following aspects are of particular relevance:

- All countries should set poverty eradication goals. Only 35 countries have done so, according to the UNDP poverty report, "Overlooking human development 1998";
- Promote and sustain economic growth, based on macroeconomic policies that create an enabling environment for poverty reduction;

- Increase the incomes and participation of poor people in the economy through expanding employment, increasing productivity and skills, widening their access to land, credit and other productive assets, enabling them to take up self-employment and labour-absorbing activities, and applying science and technology towards improving their quality of life;
- Empower and organize the poor themselves, individually or collectively, in mutual aid or self-help initiatives, such as cooperatives, and develop their capacities to enable them to participate effectively in social, economic and political processes;
- Target programmes to the poorest localities and groups to improve their socio-economic conditions, and integrate their development needs with the wider regional and national development programmes;
- Devise social protection schemes, wherever possible, to meet the basic needs of the poor. In addition to cash transfers for destitute families and children, the chronic sick, elderly and unemployed, assistance should be provided for developing capacities through the provision of basic services, skill training and retraining for the changing employment and market demand, micro-credit facilities, and other productive assets to help to broaden the income support base for the poor and vulnerable groups;
- Mobilize and augment community, national and voluntary funds for anti-poverty programmes;
- Pay attention to the interlinkages of sustainable development and poverty reduction. The protection and management of the natural environment has a decisive impact on the long-term quality of life of human beings and has to be considered in the process of socio-economic development. Poverty alleviation programmes should aim to reduce if not eliminate the negative impact of growth on the environment. The vicious cycle by which residents of poor areas are trapped in poverty through environmental degradation must be broken. Population growth should be managed to reduce the population pressure on resources, environment and the economy;
- Strengthen collection of development indicators and gender-disaggregated statistics in order to allow more accurate analysis and monitoring of programmes and policies towards poverty eradication;
- Strengthen the legal, political and institutional structure, and collaborative efforts among government agencies, NGOs, civil society and the business sector for poverty reduction.

44. In designing and implementing the policy and programme options for improving the conditions of the poor in an increasingly global context, three factors are essential for success: good governance; an efficient administrative and institutional support structure at both the national and local levels for the effective delivery and monitoring of social development programmes; and adequate human and financial resource capacity and active partnership among all development actors. Given the financial and technical constraints in many developing countries, the role of civil society, including the private sector, and of international support measures in this area of concern, will be significant.

45. The international community has a key role in assisting developing countries in reducing poverty and deprivation through development cooperation. It includes:

- Creating an enabling environment at the international level to facilitate and improve the conditions of marginalized countries to integrate into the world economy. This could be done through fair trade, human resources development, technological development, and institutional building which attracts investment;
- Mobilizing resources through new and additional resources. Adequate financing for poverty reduction and social development is crucial and it should not be at the expense of ODA. Debt forgiveness can go a long way, recognizing the benefits of both the HIPC framework and the new Cologne Initiative;
- Mobilizing global science and technology to address such issues as the development of appropriate technologies for developing countries, seeking means of increasing agricultural productivity, reducing environmental degradation and improving public health.

VI. Coordination at the intergovernmental level

A. Commission for Social Development

46. At its thirty-seventh session, the Commission for Social Development considered the theme "Social services for all" under its restructured agenda and multi-year

programme of work. The Commission's agreed conclusions stressed that social services are an integral part of and positively contribute to social and economic development. Investment in social services will contribute to poverty eradication, peace and equality, social progress and cohesion, economic productivity, productive employment and full participation of all people in society. The salient elements in the agreed conclusions include (a) ensuring that all social services are accessible to those who are living in poverty, disadvantaged or socially excluded or have special needs; (b) strengthening partnerships between the State and civil society, while recognizing that the primary responsibility of governments is the provision of basic social services; (c) provision of and access to information, particularly to the under-served and disadvantaged groups; (d) mobilization of resources, including the resources of the private sector and the not-for-profit and voluntary sectors; and (e) strengthened international cooperation for social development with a strong political will.

B. Economic and Social Council

47. The second special high-level meeting of the Council with the Bretton Woods institutions, held in New York on 29 April 1999, addressed the theme "The functioning of international financial markets and stability in financing for development", a topic closely tied to globalization and poverty. The discussion focused on six main issues: measures to promote recovery and sustained economic growth; financial architecture and financial flows for development; increasing participation and cross-sectoral coherence; international policy on external debt; economic crisis and social policy initiative and further cooperation between the United Nations and the Bretton Woods institutions.

48. The theme of the 1999 high-level segment of the Council was "The role of employment and work in poverty eradication: the empowerment and advancement of women". Widespread concern was expressed on the broader world economic situation, notably the slowdown growth of developing countries. It was noted that while the financial crisis has receded, its human cost has been staggering and will continue for a long time. A call was made for a new North-South partnership to revive economic growth and social progress on the basis of the pledges made at global conferences for poverty eradication, empowerment of women and employment. The unique role of the Council in promoting an integrated and coherent view of cross-cutting policy issues was highlighted. A ministerial communiqué was adopted by consensus at the end of the session.

49. The high-level portion of the Council's operational segment in July 1999 was also devoted to the themes of poverty eradication and capacity-building.

C. United Nations Secretariat

50. The Department of Economic and Social Affairs supports the work of the intergovernmental bodies in the area of poverty eradication, through the collection and dissemination of information, analytical and normative work, panel discussions and expert group meetings, and by encouraging the contribution of civil society. The Department, in particular the Division for Social Policy and Development, assists intergovernmental bodies in preparing for the special session in the year 2000 for an overall review and appraisal of the outcome of the World Summit for Social Development, with reference to resolution 50/161, as well as to consider further initiatives to achieve the commitments adopted at Copenhagen. The Division is also the focal point for the preparations for the Decade for the Eradication of Poverty, proclaimed by the Assembly in its resolution 50/107. Two reviews, entitled "Poverty reduction strategies" (1998) and "Participatory approaches to poverty alleviation" (1999) were recently published by the Division.

51. With regard to studies, the *World Economic and Social Survey 1999* devotes a chapter to the topic "Financial services for the poor". The chapter addresses issues related to finance for groups of poor people, mostly in developing countries that have limited or no access to formal commercial finance. Another study on microfinance is being carried out by the Division of Public Economics and Public Administration. The study will review the socio-economic impact of microfinance programmes, focusing on the areas of job creation and household income generation. It will also attempt to show the existing and potential interactions between microfinance programmes and other institutions such as international organizations, Governments and NGOs.

Office of the United Nations High Commissioner for Human Rights

52. The Universal Declaration of Human Rights lays the foundation for a human rights-based approach to poverty eradication. Article 25 provides for the right to a standard of living adequate for the health and well-being of the individual and his/her family, including food, clothing, housing and medical care and necessary social services.

53. A human rights-based approach to poverty eradication focuses on the respect for fundamental freedoms, equality of opportunities and empowerment. This approach recognizes the inherent dignity of every human being without distinction; recognizes and promotes equality between men and women; promotes participation as a key principle for governance and development planning; promotes equal opportunities and choices for all so that everyone can develop his or her own unique potential and have a chance to contribute to development and social progress. In response to calls for action, the Commission for Human Rights appointed an independent expert to address a wide range of issues relating to human rights and extreme poverty,[4] namely to (a) evaluate the relationship between human rights and extreme poverty, including assessment of national and international measures, taking into account obstacles encountered by women in extreme poverty; (b) make recommendations in the sphere of technical assistance; and (c) make suggestions on the main points of a possible draft declaration on human rights and extreme poverty.

54. The independent expert's recommendations to facilitate the eradication of extreme poverty include the universal ratification of relevant human rights instruments, including the reinforcement of economic, social and cultural rights by the ratification of regional instruments; legal guarantee of minimum income in the hope that this will facilitate access to essential social services such as social and medical welfare, food, housing , employment, training, schooling, education and culture; occupational reintegration programmes for the poorest segments of the population such as women, single mothers, children, migrants, the disabled, internally displaced persons, members of minorities and indigenous populations, etc; human rights information and education for the poorest of the poor designed to reach persons living in extreme poverty; strengthening of local social welfare bodies by providing them with the resources and powers necessary to identify poverty and distribute welfare effectively; and sufficient resources mobilization for poverty eradication including transfer of resources from the military sector to the social sector domestically as well as the encouragement of the 20/20 Initiative internationally. The independent expert stressed the importance of adopting the legal framework for micro-finance in order for micro-enterprises to embark on new projects and thereby create work and reduce poverty.

D. Regional commissions

Economic Commission for Europe

55. A workshop on measuring poverty was organized by the Statistical Division of ECE in Lithuania in July 1999 as part of a UNDP-funded project on human development statistics and social trends reporting, for which ECE is joint executing agency. This workshop covered conceptual, technical as well as practical bases for measuring poverty. The conceptual bases included absolute, relative and subjective indicators; single and multidimensional measures; monetary and non-monetary measures; and the dynamics of poverty. The technical ones included data sources; equivalence scales; and income versus consumption/expenditure as a basis for monetary measurement. In addition, ECE will participate in the project to be jointly undertaken by the regional commissions in the framework of work on globalization, and the analysis of issues, problems and policies regarding social safety net programmes and their impact on the reduction of poverty among households.

Economic and Social Commission for Asia and the Pacific

56. In the light of development trends and emerging social challenges as well as the recent socio-economic upheavals in the region, ESCAP has called for accelerated implementation of the regional social development agenda and follow-up actions to the World Summit for Social Development. The secretariat continues to contribute to the strengthening of national capabilities and supporting the implementation of the national and regional commitments in the Programme of Action of the Summit, with specific reference to the regional priorities and actions identified in the agenda for action on social development in the region. The recent economic crisis in some countries in the region has worsened further the situation for many, especially the poor and other disadvantaged and vulnerable social groups, including women, children, older persons, disabled persons, minority groups and migrant workers. Further misery was experienced by some members of those groups owing to the impact of natural disasters that have hit many countries of the region with unusual frequency.

57. Among its activities on poverty alleviation, ESCAP gives special emphasis to enhancing the quality of life of the poor and other disadvantaged and vulnerable social groups, including youth, older persons and disabled persons, through policy-oriented research, surveys and programme analysis. These activities aimed at policy advocacy and forging

agreements on regional standards of benchmarks and their implementation and monitoring. The theme study entitled "Asia and the Pacific into the twenty-first century: prospects for social development", prepared for the fifty-fifth Commission session, engendered substantive proposals for ESCAP action in the field of poverty alleviation. A panel discussion on the social impact of the financial crisis at the same Commission session considered strategies for sustaining social development and mitigating the potentially adverse effects of the crisis, particularly on the poor. Technical assistance activities have focused on the implementation of demonstration projects; exchange of experience and expertise through the organization of seminars and training workshops; exchange of personnel through promotion of technical cooperation among developing countries; and advisory services in support of national social development initiatives. ESCAP's focus has been on strengthening national capabilities of both the public and non-governmental sectors to plan and implement social development programmes, particularly those targeting the poor and other disadvantaged and vulnerable social groups. Emphasis is also placed on the need to strengthen the capabilities and to empower the poor and other disadvantaged and vulnerable social groups who are not only the beneficiaries of social progress but are also key participants in the development process. In order to address effectively the short- and long-term challenges of social and economic development and to ensure the attainment of economic growth with social equity, the secretariat recognizes the need for partnerships among government agencies, civil society including non-governmental organizations, the business sector and communities at the local and national levels.

Economic Commission for Western Asia

58. ESCWA work in the area of poverty eradication comprises three distinct but related phases: (a) measurement, characteristics and determinants of poverty; (b) policies to eradicate poverty; and (c) tools to eradicate poverty. During the first phase, ESCWA undertook a number of technical studies on the concept, measurement and determinants of poverty in Western Asia. The research focused on the approach that poverty is a multidimensional phenomenon that results from complex inter-linked determinants, including social, economic and political conditions and the disabling environment. At the country level, ESCWA prepared poverty profiles for several countries and areas in the region, including Iraq, the West Bank and the Gaza Strip and Lebanon. Emphasis was then shifted to the second stage on the evaluation of policy measures adopted by the ESCWA member States to combat poverty. To lay the ground for ESCWA's future work in formulating policies and strategies to eradicate poverty in the ESCWA region, a meeting on improving standards of living in the Arab Mashreq countries was convened at Cairo in November 1997. Pursuant to the recommendations of the meeting, during the current biennium work is concentrating on policies required to alleviate poverty. The issues of poverty and youth and the role of income-generating activities in eradicating poverty and improving the standards of living in local communities will also be explored. The third stage (2000-2001 biennium) will be devoted to proposals of operational policies aimed at eradicating poverty in the region. Work will concentrate on three major tools for poverty eradication — social funds, micro-credit lending and community development.

Notes

[1] See *Shaping the Twenty-first Century: The Contribution of Development Cooperation* (OECD, May 1998).

[2] See "Country experiences in assessing the adequacy, equity and efficiency of public spending on basic social services", paper prepared for the Second International Meeting on the 20/20 Initiative (Hanoi, 27-29 October 1998) by UNICEF and UNDP, based on the 20/20 country studies, with contributions from the World Bank and UNFPA.

[3] See "Implementing the 20/20 Initiative: achieving universal access to basic social services", September 1998.

[4] See Commission on Human Rights resolutions 1998/25 and 1999/26.

Annex

Activities carried out by the United Nations system on poverty eradication: United Nations programmes, funds and specialized agencies

United Nations Children's Fund

1. UNICEF assistance and advocacy for children is guided by the Convention on the Rights of the Child and the firm conviction that realizing the human rights of children and women are necessary contributions towards the eradication of poverty. Within this framework, activities in promoting universal access to basic social services, social mobilization of communities around the rights of children, girls' education and attention to adolescents are among the areas where UNICEF provides assistance in addressing poverty. UNICEF country programmes of assistance are formulated with counterpart Governments, increasingly within the United Nations Development Assistance Framework. The 1999 UNICEF annual report contains illustrations of successful UNICEF supported interventions as part of its country programmes.

2. UNICEF, in close collaboration with UNDP and the World Bank and in consultation with UNFPA, contributed the four background documents for the Second International Meeting on the 20/20 Initiative (Hanoi, 27-29 October 1998). Based on country studies sponsored by UNDP and UNICEF as well as research undertaken by the agencies, the papers illustrated that countries which allocate above-average resources to basic social services and utilize them effectively and efficiently also achieve better than average human development outcomes.

3. UNICEF is also concerned as to how the HIV/AIDS pandemic is contributing to the erosion of hard-won human development gains. It has been observed that the burden of the AIDS pandemic is increasingly shouldered by the poor, particularly poor women. It is devoting increasing attention to protecting children from getting infected, or if infected, to protecting their rights. UNICEF is also working with WHO, the World Bank and other partners on the global vaccine initiative, which holds the potential for developing affordable vaccines for diseases seriously affecting children not covered by previous immunization initiatives. Moreover, UNICEF is actively supporting the "Education for all" country assessments for a meeting at Dakar in 2000, and is working with "Education for all" partners to revitalize the drive for universal access to quality basic education. Importantly, in areas affected by conflicts, UNICEF is working with other United Nations and NGO partners to ensure ongoing access to basic social services wherever possible. In these situations, the "School in a box" is an important tool in assuring that the education process can continue.

United Nations Development Programme

4. In the aftermath of the World Summit for Social Development, UNDP launched the Poverty Strategies Initiative, a $20 million programme to support country-level implementation of Summit commitments, the elaboration of national definitions, indicators, measurements and criteria of absolute poverty, and the formulation of national strategies, action plans and programmes against poverty. The programme has been in operation for two years. Allocations have been approved for projects in over 100 countries, of which one third have already been completed. Most projects have focused on (a) qualitative assessments of poverty; (b) household surveys and poverty maps; (c) poverty reduction strategies and programmes; (d) analyses of social spending and aid flows to basic services; (e) national human development reports; (f) capacity development for poverty reduction planning; (g) social mobilization and constituency building.

5. Poverty Strategies Initiative resources have been used to support the preparation and dissemination of social sector expenditure reviews in seven African countries: Benin, Burkina Faso, Kenya, South Africa, Chad, Uganda and Zambia. Five of these reports have already been finalized, and a workshop will be held to discuss their findings and recommendations. The other two reports are due to be finalized in early 1999. This exercise has been conducted in collaboration with UNICEF, and supplemented the reviews UNICEF has been supporting in another eight countries in the region. Preliminary findings of these studies were shared in three regional meetings, co-sponsored by UNDP and UNICEF, which served to sensitize policy makers about the 20/20 Initiative and prepare them for the international meeting that took place at Hanoi in October 1998. UNDP's *Poverty Report 1998: Overcoming Human Poverty* shows both the scale of the challenge of and the measures being taken to address poverty.

United Nations Environment Programme

6. UNEP programme areas of concentration, as established by its Governing Council at the fifth special session, in May 1998, reaffirm the fundamental message emanating from the United Nations Conference on Environment and Development that the only route to sustainable development, and thus the eradication of poverty, is one that includes all the three dimensions, the economic, the social and the environmental. The protection of fragile ecosystems is a critical element of the sustainable development equation and the quest to eradicate poverty. The need for an integrated and coherent policy response to the existing and emerging environmental challenges is mirrored in UNEP's integrated organizational structure and work programme, which is based on environmental monitoring, assessment, information and research, including early warning; enhanced coordination of environmental conventions and development of environment policy instruments; freshwater activities; technology transfer and industry; and support to Africa. UNEP programme activities within these areas of concentration directly contribute to sustainability and thus serve to enhance poverty eradication efforts.

United Nations Population Fund

7. In recognition of the multidimensionality of poverty, UNFPA actively promotes the widening of choices and opportunities in the various population and reproductive health programmes it supports in countries. Through this, it contributes towards the achievement of the broad development goals and objectives of the international conferences, particularly those contained in the ICPD Programme of Action. UNFPA is the main advocate for ICPD goals, and encourages Governments to invest in human capital since such investments have high rates of return and help to raise the productivity of the poor. The Fund supports measures that help individuals to meet their reproductive health needs, through the provision of universal access to a full range of safe and reliable family-planning methods and to related reproductive health services. In addition, UNFPA accords highest priority in its programming and resource allocation to the poorest countries and disadvantaged segments of the population, and advocates for priority attention and allocation of domestic resources for poverty alleviation. UNFPA fully subscribes to the 20/20 Initiative in its programming, urging Governments to designate 20 per cent of domestic allocations to basic social services, focusing on the poorest. Moreover, in line with the ICPD Programme of Action, UNFPA recognizes that women and children bear a disproportionate burden of poverty, and that eliminating discrimination against women and securing their empowerment are preconditions for poverty eradication. UNFPA actively promotes expanded access to basic education, especially for girls and disadvantaged sub-groups. Poverty tends to be associated with low access to information, services and community participation. Reaching the poorest and most disadvantaged groups requires political resolve, imaginative policies and innovative approaches, which UNFPA supports through advocacy efforts. Hence, UNFPA programmes target poor sub-groups, for example, through campaigns to disseminate culturally sensitive information about the linkages between human sexuality, family planning and the transmission of sexually transmitted diseases, the availability of reproductive health services, and details about how and where these can be obtained.

World Food Programme

8. WFP targets the most vulnerable and helps them survive crises, thus enabling them to become eligible for mainstream development activities. WFP focuses particularly on women, not just because women comprise the majority of the poor but because women hold one of the keys to poverty reduction. WFP enables women to acquire assets, skills and resources to help poor families improve the quality of their lives. This also empowers women and contributes to their bargaining power within the household and in the community. Through WFP food-for-work projects, communities, especially women, are being assisted in improving their lives. Roads lead to markets and clinics; fish ponds provide income opportunities; community woodlots reduce women's workloads and save natural resources. WFP is committed to strategically invest in women so that they have a voice in decision-making, which in turn promotes economic asset-building and empowerment for poverty eradication.

United Nations Relief and Works Agency for Palestine Refugees in the Near East

9. UNRWA has a range of activities in its five fields of operation (Jordan, Lebanon, the Syrian Arab Republic, the West Bank and Gaza) aimed at helping Palestine refugees, especially women, to improve their socio-economic situation. The core elements of UNRWA action against poverty are the poverty alleviation programme and the income generation programme. The poverty alleviation programme aims to help the most socially and economically disadvantaged Palestine refugees to rise above the poverty line, and to be self-reliant through skills training, income generation and income consideration, including credit and

savings schemes. While its primary targets are "special hardship" families who are offered viable alternatives to dependence on welfare assistance, the scope of the programme also extends to non-special hardship refugees, including women, who could benefit from poverty alleviation schemes. The key components of the poverty alleviation schemes include skills training, self-support projects (soft/micro loans), community/group-managed finance schemes and credit schemes linked to vocational training/apprenticeship. These are tailored in accordance with community needs and the overall socio-economic context. UNRWA also established an income-generation programme in 1991 to support Palestine refugees by providing credit to small business. The activities of this programme have been mainly concentrated in the Gaza Strip, and it is composed of three subprogrammes. By the end of May 1999, these three subprogrammes had provided 19,534 loans valued at $27.7 million; 54 per cent of those loans went to women microenterprise owners.

United Nations University

10. UNU aims to contribute to poverty eradication and food security through its research, capacity-building and dissemination activities. It will be recalled that in the previous review of the Decade, a selection of research projects in areas involving African development, food and nutrition, and biodiversity conservation were mentioned in the Secretary-General's report (see A/53/329). With regard to UNU capacity-building efforts, in 1998 a total of 663 project coordinators and consultants were engaged, of whom 354 were from least developed countries; 226 fellowships and internships were granted, including 177 to least developed countries students/researchers; of 44 training courses organized, 33 took place in least developed countries, with 1,092 of 1,432 participants coming from least developed countries. UNU realizes that further efforts are required to increase women's participation in UNU activities, in recognition as well of women's crucial roles in eradicating poverty. Moreover, the theme of the fifteenth UNU global seminar planned for September 1999 in Japan is "Globalization and human development: Towards the eradication of poverty". The UNU global seminar is an annual programme of five days designed to enhance international awareness among the student population in Japan through active interaction with scholars and experts working in UNU global networks. Furthermore, the UNU strategic plan 2002, which will be submitted to its Governing Council in December 1999, includes a priority Africa programme to intensify UNU efforts oriented to development in the continent.

International Labour Organization

11. The four major objectives of ILO are to: (a) promote and realize fundamental principles and rights at work; (b) create greater opportunities for women and men to secure decent employment and income; (c) enhance the coverage and effectiveness of social protection for all; and (d) strengthen tripartism and social dialogue. In pursuance of these objectives and in accordance with General Assembly resolution 53/198 and commitments 2 and 3 adopted by the World Summit for Social Development, the ILO, in close cooperation with agencies of the United Nations system and the Bretton Woods institutions, enhances the capacity of — and provides assistance to — its constituents in the design, formulation and implementation of comprehensive employment strategies and policies, and anti-poverty strategies based on job creation, the development of private sector enterprises and the application of labour standards. As a follow-up to the Summit, countries in the eastern and southern Africa subregion held a conference at Nairobi from 15 to 17 March 1999 aimed at monitoring progress since 1995 in poverty reduction, employment creation, achieving social sector objectives and governance. The review on employment creation in the subregion was facilitated by the ILO. It revealed that despite the revival of GDP growth in the two subregions, the employment situation remained critical. However, the conference demonstrated that there was an increasing awareness by top policy makers and social partners of the urgent need for a comprehensive approach to tackle unemployment.

12. ILO's employment-intensive programme has promoted employment and investment policies in productive and social infrastructure — one of the factors which have caused the continued socio-economic deterioration in many member States. It has also promoted private sector execution of public works, and contributed to capacity-building through local contractor development programmes and training for community-based organizations. Experience has shown that a prerequisite for success with these policies is the development of necessary capacity for contract preparation and management among government officials responsible for these tasks, both at the central and decentralized local government levels.

ILO recommendations for possible action and initiatives towards the new millennium

13. A specific emphasis should be placed on the problems of the working poor. It has long been apparent that the process of economic growth is inadequate to absorb surplus

labour into the formal economy. On the contrary, uneven rates of growth in the organization of production have led to pervasive informalization. It is among workers in the informal economy that the problems are the greatest. It is their rights that are least respected. It is they who are underemployed and poorly remunerated, who have no social protection, and for whom social dialogue and participation have little meaning. The time has come to establish a coherent policy for the working poor, specifically in the areas of employment generation, social protection and social organization, where their needs are most acute.

Food and Agriculture Organization of the United Nations

14. Within the context of the World Food Summit Plan of Action, FAO continues to focus its normative and field activities on agriculture, livestock, fishery and forestry sectors to contribute to the eradication of poverty and food insecurity. Under its normative activities, FAO concentrates on developing approaches, strategies and appropriate technologies suitable for different socio-economic and agro-ecological conditions to eradicate poverty and food insecurity. At the field level, FAO supports member countries in their efforts to eradicate poverty through policy advice and transfer of technology in the field of agriculture, livestock, fishery and forestry with the view of enhancing the productivity and income, especially of the rural poor. Support is provided to member countries on crop and livestock diversification; plant breeding, including quick maturing crops resistant to drought or disease and pest attacks; watershed management, including development of small-scale irrigation; soil conservation; aquaculture; improved coastal fishing; and forest management and pest and disease control measures. FAO also prepared a field manual on small farmer group association development, as a follow-up to an FAO global e-mail conference on the same topic held in September 1998. Such associations strengthen the collective self-help capacities of both male and female rural producers. An English version of the manual is expected to be ready for printing and distribution at the end of 1999.

15. The ACC Network on Rural Development and Food Security, established by ACC, acts as the mechanism for inter-agency follow-up to the World Food Summit. Jointly managed by FAO and IFAD, in close cooperation with WFP, the ACC Network is generating complementarity and synergy in food security efforts, particularly at the country level. The ACC Network is a two-tiered mechanism. At the country level, the ACC Network consists of national thematic groups working on rural development and food security. At the international level, these national thematic groups are supported by a network of interested United Nations organizations and associated international and regional NGOs. To date, 55 national thematic groups have been established, and 22 national thematic groups are in the process of being established, throughout the world. Activities on rural development and food security stimulated by the Network range from supporting the special programme on food security to developing food insecurity and vulnerability information mapping systems, addressing El Niño effects on food production and assisting the World Food Programme (WFP) in providing food aid.

United Nations Educational, Scientific and Cultural Organization

16. UNESCO action with regard to the eradication of poverty is carried out through major programmes and projects in its various fields of competence (social sciences, education, science, communication and culture). An area of poverty eradication and development in which UNESCO has a comparative advantage is human resource development and capacity-building, broadly defined. This involves formal and non-formal education and training, in relation to productive activities, particularly of girls and women in poorer areas, and training and support in organizational and management fields, so that they develop their economic and political capabilities in generating income and defending their rights and participation in society as full-fledged citizens. UNESCO places emphasis on endogenous empowerment, specially the empowerment of women, as an essential component of this process, since women constitute two thirds of the poorest people. The organization promotes all the approaches, most of them informal and community-based, which — by capitalizing on the skills and capacities of the poor themselves — are aimed at helping them to determine their own ways to move out of poverty. The emphasis on alternative forms of education, endogenous management of cultural sites and natural resources, crafts and community media, micro-credit and social support services reflects the spirit of the General Conference at its twenty-ninth session, which placed cultural development at the centre of strategies for the alleviation of extreme poverty. UNESCO is increasingly focusing its efforts on promoting a variety of innovative and non-formal approaches geared to provide learning opportunities to youth and adults living in situations of extreme poverty.

17. At another level, UNESCO capacity-building concerns the improvement of a country's institutional and administrative set-up. This is to implement more effectively anti-poverty policies, training to improve endogenous skills

in policy-making, evaluation and management in poverty issues, training of researchers in social sciences. In addition, research infrastructures should be strengthened in order to reinforce national capacities to understand the root causes of poverty, collect data, measure and assess its extent in specific economic and sociocultural contexts, as a basis for developing, implementing and evaluating effective policies. UNESCO believes that culture is also a basic variable in the analysis of poverty and the development of actions for poverty eradication. To this end, emphasis is placed on the non-economic sources of poverty, such as ethnic conflict and discrimination. Within the framework of the United Nations Decade for the Eradication of Poverty (1997-2006), UNESCO plays an important role in the eradication of poverty by participating in multilateral and bilateral mechanisms and cooperation programmes operating in the regions and subregions, by supporting demonstration projects, promoting exchanges of information, publicizing successful experiments, and mobilizing governmental and especially non-governmental partners at all levels.

International Civil Aviation Organization

18. Civil aviation has become an increasingly important factor in the alleviation of poverty in developing nations. In fact, civil aviation is having a most significant impact on the economies of most developing States, and is affecting, both directly and indirectly, the standard of living of the citizens of those States. The positive effects of air transport on the immediate living conditions of the very poor can readily be seen in the emergency distribution of essential foods, medicines and other commodities, and in the transport of health and social workers to remote locations where traditional means of transport are often impractical or impossible. These relief services, however essential in the short term, do not have a significant long-term effect on poverty alleviation. Rather, it is the utilization of air transport that serves as a mechanism for trade and communications, as a significant employer, as a conduit for technology transfer and as a powerful engine for economic development. Since its establishment in 1947, ICAO has been the primary source of technical assistance in the field of civil aviation to practically all developing countries. This assistance has included the provision of international expertise to assist Governments in developing their aviation infrastructure; the establishment and/or improvement of civil aviation training centres; the procurement and commissioning of aviation equipment systems; and the provision of fellowship training assistance.

World Health Organization

19. The Director-General of WHO has stressed that over one billion human beings have been left behind in the health revolution which has brought gains to many in this century. One of her declared aims is to see a concerted global effort to bring these people into the mainstream of health and development initiatives. In the past year, WHO began conducting a far-reaching restructuring with a major renewal and reform process to enable it to play a more effective and integral role in the international agenda for sustainable human development. That means placing an increasing emphasis on the health-related conditions that create, perpetuate, or result from poverty — both relative and absolute. Over 50 separate programmes at WHO have been brought together in nine new clusters, one of which is entirely devoted to strengthening health's contribution to poverty eradication and sustainable development. Increasing life expectancy by five years can yield an annual increase in economic growth of 0.5 per cent. A new generation of human development policies is needed in which the economic and social dimensions are well integrated in order to capture this potential. Ministers of health must play a more central role in preparing national development strategies, and ministers of finance will need to be more knowledgeable about health's role in eradicating poverty and building human capital. WHO's role will be to provide the knowledge base and the necessary policy and technical guidance, both to countries as well as to the external agencies that support them. WHO's work pursues four interconnected strategic themes: first is to make WHO work for and with countries more effective. A special project has been set up in the Director-General's office to lead that effort. The second theme is to focus WHO work in order to obtain better and more equitable health outcomes. Leading elements are promoting equitable policies for health, including gender equity; supporting social solidarity mechanisms; and focusing on health strategies to help men and women respectively out of poverty. This is important due to concerns that growing poverty can further distort gender relations and contribute to undermining social cohesion and stability. The third theme is to support health sector development and capacity-building. Improving the health of poor people is a non-starter when health systems do not work and are hopelessly underfunded. A key issue is to strengthen the effectiveness of ministries of health — to link up with other sectors of government, the private sector and civil society; to influence public policy; and to regulate private health care. The fourth theme is building influential partnerships. At the country level, WHO is participating in the common country assessment/United Nations

Development Assistance Framework process. In Nicaragua, Uganda and Viet Nam, WHO is working with IMF to ensure a better recognition of the role of health in overall macroeconomic policy and structural adjustment programmes. At the global level, WHO has renewed its collaboration with all major United Nations partners as well as with the Bretton Woods institutions.

20. To ensure consistency and quality in its work on poverty and health, WHO is in the process of setting up a high-level advisory committee representing major development stakeholders — countries, civil society organizations, development researchers, bilateral donors and United Nations partners. The principal characteristics of this group will be expertise in poverty eradication and human development. WHO is also making preparations for its participation in the special session of the General Assembly on the five-year review of the Summit in June 2000. During this time, WHO will make a concerted effort to draw health into the mainstream of the human development process.

World Bank

21. The World Bank activities support the implementation of the institution's overarching goal of reducing poverty. They continue to be broadly guided by the strategy proposed in the 1990 *World Development Report*, the 1991 policy paper on assistance strategies to reduce poverty, and operational directive 4.15, "Fostering labour-based growth while investing in the development of human capital and providing safety nets for those unable to benefit from growth". However, several new themes that have emerged since the early 1990s have influenced implementation of the strategy: the vulnerability of the poor to shocks, the role of institutions in implementing policies and providing services, and the recognition of the importance of participation, partnerships and social capital. These new themes can be seen throughout the Bank's work. Activities in 1998 also reflected the impact on poverty of some of the key events of the year: persistent conflict in some of the poorest African countries; the sudden impoverishment of millions in East Asia as a consequence of the financial crisis; the continuing pain of transition in former socialist economies; and the tenuous situation of the millions of poor people who live in China and India. These themes will be brought together in a major new synthesis of the underlying determinants of poverty reduction in the 2000/2001 *World Development Report*, and a subsequent policy paper will discuss the implications of the report's findings on the Bank's policy and operational work. The World Bank recently advocated a new holistic development framework, integrating macroeconomic and financial considerations on the one hand, and structural, institutional, social and human considerations on the other. Integration of these elements is imperative at the international level, as well as nationally.[a] The report also addresses prerequisites for poverty alleviation and sustainable development through a matrix of specific actors and interventions involving structural, human, physical and sector-specific strategies. This framework is seen to be a necessary complement to macroeconomic considerations, and it places strong emphasis on participation and partnership.

International Monetary Fund

22. IMF reported that following the Summit, it has strengthened its approach to support countries' efforts to accelerate social progress and alleviate poverty, and has sought to incorporate the major recommendations of other United Nations global conferences into its policy dialogue with each member country. As part of its activities in Africa, IMF has also been actively involved in the TICAD process, including in the implementation of the Tokyo Agenda for Action adopted at TICAD II.

23. IMF policy advice, financial and technical assistance has sought to improve the quality of public expenditure by shifting resources away from unproductive outlays, such as excessive military expenditure, to infrastructure, basic education and health care, which build physical and human capital and thus enhance broad-based growth and equity, and to target poverty alleviation programmes. As part of IMF support for social development and poverty alleviation, guidelines have recently been given to IMF staff with the purpose of strengthening the monitoring of social expenditures and social output indicators within the context of IMF surveillance activities and support for countries' adjustment programmes. IMF policy advice and technical assistance has increasingly focused on incorporating cost-effective and financially viable social safety nets into countries' reform programmes. These safety nets may include subsidies or cash compensation targeted at vulnerable groups, improved distribution of eventual commodities, such as medicine, temporary price controls on some essential commodities, severance pay and retraining for retrenched public sector employees, employment through public works programmes, and appropriate unemployment insurance and pension schemes.

24. In its work in the social sector areas, IMF relies on the expertise of other institutions, including the World Bank, regional development banks, UNDP, the ILO and other United Nations agencies, and efforts have been made to strengthen collaboration. The Bank and the Fund collaborate

closely in the context of public expenditure reviews and more recently, in the context of a general review of World Bank-IMF collaboration in 1998, measures are under way to better integrate social sector reforms in the design of countries' adjustment and reform programmes, as well as to coordinate technical assistance and policy advice, including in public sector work. Also, in late 1998 a pilot initiative to strengthen collaboration between the WHO and IMF on health-related issues in low-income countries was started. Good governance contributes to high-quality pro-poor growth and to social development. Policies that strengthen good governance can help to make adjustment and reform a participatory process in which stakeholders in society, including the poor, have a greater chance to express their concerns, needs and join in a partnership. IMF has sought through its advice and technical assistance to improve governance through, *inter alia,* greater transparency and accountability in the formulation of and implementation of all aspects of economic policy. This can contribute to greater equality of opportunity and access, and help eliminate the diversion of scarce public resources to fraudulent and corrupt activity. Moreover, an important element of the IMF mandate is to promote high levels of employment. High sustainable growth and labour market reform supports this goal. IMF supports labour market policies that ensure labour market flexibility and encourage training, retraining, and the mobility of workers within and between sectors and regions, supported by adequate unemployment benefits.

Universal Postal Union

25. Poverty eradication and freedom from poverty have been identified as high priorities within the United Nations system; the Universal Postal Union (UPU) has incorporated this goal within its basic missions of maintaining universal service and improving the international postal network. Postal services provide a basic communications infrastructure that enables financial, economic, educational, and cultural activities to flow throughout and among countries. UPU has identified six major objectives for the 2000-2004 time-frame, with due regard for the potential assistance which each can provide in the drive to reduce and eliminate poverty: (a) ensure the provision of a universal postal service; (b) strengthen the quality of the international network; (c) increase the cost-effectiveness of the international postal network, providing customers with affordable prices; (d) respond to the needs and expectations of postal customers; (e) utilize postal reform to diffuse benefits of technological, economic and regulatory changes; and (f) strengthen and broaden cooperative activities among postal stakeholders. In addition, UPU and the World Bank have jointly implemented a number of postal reform projects that widen pro-poor economic growth and sustainable job creation.

International Maritime Organization

26. Given IMO's global regulatory mandate, which encompasses the development of international rules and standards designed to enhance the safety of life at sea and protect the marine environment from pollution caused by ships, the twin fundamentals of "sustainable development" and "poverty alleviation" have evolved in recent years as parallel concerns to the Organization. IMO has developed an integrated technical cooperation programme as a capacity-building machinery to assist developing countries in implementing promulgated rules and standards uniformly since they lack the wherewithal to do so. The impact and global outreach of these activities contribute directly to civic society through the liberalization and globalization of trade, which in turn sustain development and lead to poverty alleviation and prosperity by creating employment opportunities in the fishing, tourism, recreation and export-led industries. Taking into consideration the magnitude of global maritime transport, it is noteworthy that over 95 per cent of international trade is seaborne: goods and commodities are channelled through ports to markets in both coastal and landlocked States. In this context, the direct linkage with the seafaring industry — which frequently draws on the poorest strata of the population in developing countries for employment — is highly relevant. Employment in the shipping industry provides access to foreign currency, and provides a regular salary — a direct impact on the economic viability of the families of seafarers, and through income generation for the local community as a whole. It is also important to note that "the poor" are not only a rural phenomenon: the seafaring career often attracts the "urban" poor, who are more difficult to track and monitor.

United Nations Industrial Development Organization

27. A UNIDO position paper entitled "Social progress through industrial development", presented at the World Summit for Social Development (Copenhagen, 6-12 March 1995), spelled out the avenues of alleviating poverty using the manufacturing sector as a dynamic force. Complying with UNIDO's commitment in the position paper to treat industrialization as an effective means of accelerating growth essential to rapid economic and social development, the research wing of the organization prepared a few concept papers, focusing on the crucial role of agro-industry in

income generation and employment creation contributing to sustainable livelihood patterns.

28. Addressing widespread poverty requires priority attention to the creation of economic opportunities for the disadvantaged and poor segments of the population. In other words, there is a need for creation of both employment and entrepreneurial opportunities to enable these segments to enter the mainstream of economic development. Three of UNIDO's service modules address this issue with the primary objective to create employment and generate income to the broader population and hence eliminate poverty: (a) the policy framework for small- and medium-scale enterprises; (b) the policy for women entrepreneurship development; and (c) the entrepreneurship development module. UNIDO support to small and medium enterprises (SMEs) enables Governments and their institutional partners to formulate national strategies and programmes to promote SME development and to develop SME policies that are interrelated, focused and targeted towards enhancing the overall efficiency of the sector with a view to maintaining existing and creating fresh opportunities. UNIDO's future activities include improvements in sustaining self-relying national capacities to create perceivable impact on the improvements in the living standards among the rural poor households. Within the context of the United Nations Development Assistance Framework, UNIDO will continue to support industrial development for effective poverty reduction, in coordination and cooperation with national stakeholders and development partners from multilateral, bilateral and NGO communities.

Notes

[a] See James D. Wolfenson, "Comprehensive development framework: a discussion draft" (World Bank, 1999).